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Introduction

1. The second global cooperation framework (GCF) responds directly to the United Nations Millennium Declaration commitment to halve the proportion of people living in extreme poverty by 2015 and reaffirms the role of UNDP as a global leader to achieve this end. The GCF will enable this in three ways:

(a) It will support the ability of UNDP to generate alternative and cutting-edge development thinking and to address emerging challenges presented by globalization, including marginalization of the poorest, through groundbreaking research and analysis by the *Human Development Report* (HDR), the Office of Development Studies (ODS), and the Bureau for Development Policy (BDP). Innovative research, such as that which contributed such key concepts to current development thinking as sustainable human development (SHD) and global public goods will be strengthened;

(b) It will allow, for the first time ever, the integration of UNDP global development thinking and advocacy with country-level practices by building on country-driven demand for policy and programme support as captured in the results-oriented annual report (ROAR);

(c) It will promote a state-of-the-art knowledge network by moving UNDP policy support capacity out of headquarters to the subregional level to ensure that the best available advice can be given when and where it is most needed — at the country level.

2. In view of the financial constraints on core resources, the second GCF will enable UNDP to use new mechanisms for thematic non-core funding for (a) the proposed priority programme support areas and (b) the organizational transformation processes needed to implement the GCF. The second GCF, which reflects the overall goal of poverty reduction, is being submitted to the Executive Board for approval of the programmatic orientation and resources allocation for the period 2001-2003 set out in the present document. The specifics of global programme activities are not described in the framework; they will be elaborated in programme documents to be prepared subsequently. The core resources allocation for the second GCF is $72.6 million and the goal of an additional $115 million of non-core resources has been set to be mobilized through the trust-fund mechanism described in this document.

3. The second GCF is a critical tool in the transformation of UNDP into a globally networked policy-advice organization focused on global poverty reduction and sustainable human development.

I. Development situation from a sustainable human development perspective

4. A series of United Nations conferences and summits held during the 1990s set ambitious but attainable targets that were reaffirmed at the Millennium Summit. Foremost for UNDP is the global commitment to halving the proportion of the world's people living in extreme poverty. Achieving these international development targets, which encompass the multiple dimensions of sustainable human

development (SHD), will require a renewed commitment of political will and resources at the national and regional levels, and the application of innovative tools and approaches to address emerging problems. Nationally and regionally oriented programmes alone, however, will be insufficient to address the shared and systemic development challenges that extend beyond the scope of regional and country efforts. In an increasingly interdependent world, well-targeted global programmes are equally important in ensuring that global regimes reflect the concerns and interests of developing countries. Building on strong national and regional programmes and on programmes that address key shared and systemic constraints at the global level, UNDP has renewed its commitment to play a lead role in the fight against world poverty.

5. The world is experiencing unprecedented and accelerating globalization marked by liberalization and privatization, global economic expansion, and explosive growth in cross-border flows of information, technology, capital and labour. While contributing to the creation of wealth and human well-being in some countries, the increasingly integrated global economy has also contributed to greater economic instability, vulnerability and widening inequities within and between countries. The phenomenal growth of information and communication technologies (ICT) further accentuates the opportunities as well as the challenges. Recent regional economic crises have demonstrated that systemic factors beyond the reach of any one country can quickly spread across regions, reversing decades of hard-won development gains. At the same time, inefficient patterns of growth and energy use are already contributing to changes in the global climate that threaten to destabilize agro-ecosystems worldwide. It is now clear that the provision of global public goods — such as equitable and stable global financial regimes, protection of the global environmental commons and universal access to the knowledge and information needed to address emerging problems effectively — are equally important for sustained growth and human development.

6. With limited scope to shape global regimes that would better reflect and protect their particular interests, developing countries face the challenge of adapting domestic policies to these new global realities. Those with adequate institutional and technical capacities, and appropriate policies, have benefited by identifying and seizing emerging opportunities, while having greater resilience to recover from unexpected global shocks. Most developing countries, however, lack these capacities and have been further marginalized, with the least developed countries hardest hit. The rapidly changing global context poses new and urgent challenges to development planning and poverty-reduction efforts. In short, although globalization offers enormous potential for human development in the twenty-first century, its current benefits are unevenly distributed while its costs are concentrated among the poorest and most vulnerable.

7. As the world's leaders declared at the Millennium Summit, creating an environment at the national and global levels that is conducive to development and to the elimination of poverty depends on good governance. Leaders agreed to "spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development". (United Nations Millennium Declaration, paragraph 24, see also paragraph 13). National democratization and decentralization processes offer new opportunities for local populations to shape their futures and promote human development at both local and national levels. Redefined roles for government and

the emergence of new roles for civil society have reinforced these trends; they also underscore the increased importance of capacity development in the public sector and civil society in managing social and economic change in the dynamic global environment. Democratic values and processes need continuous reinforcement at national, regional and global levels.

8. While recognizing that economic growth is essential in supporting development, the United Nations conferences of the 1990s have agreed on the importance of equity and sustainability in the patterns of growth that are pursued. Poverty dimensions are, nevertheless, becoming increasingly feminized in many developing countries. Other inequities linked to ethnicity and social groupings continue to undermine efforts to address poverty, requiring new approaches to overcome barriers. Economic, social and environmental linkages essential for achieving SHD have been widely acknowledged yet applied methodologies and practical tools to address these linkages are not fully reflected in macroeconomic reform processes and framework setting.

9. Widening inequality and political instability have in turn contributed to increasing levels of crisis and conflict worldwide. Whether natural or caused by humans, crises often cross borders, draining resources away from essential public services, reducing development investments, and destroying physical, natural, institutional and social capital. The scourge of HIV/AIDS has spread globally, in part as a result of increased labour mobility, eroding the social fabric that is essential for equitable and sustainable development. Experience has shown that crises impact most severely on poor and politically marginalized groups, in particular on women and children, quickly erasing the gains from years of painstaking development effort. Reducing the vulnerability of much of the world's population to natural and manmade disasters, and accelerating recovery when crises do happen, are new and urgent development priorities. There are important lessons to be learned from the growing number of crises occurring across all regions. These lessons need to be captured, synthesized and shared more effectively on a global scale to contribute to more effective means of addressing crises.

10. These trends highlight the need for a new approach to development cooperation, one that places the concerns of poor women and men, and poor countries, at the centre of the international agenda. UNDP can make a significant contribution to this goal through focused global activities to complement and strengthen its regional and country efforts.

11. The second GCF has been designed to help UNDP to play a leading role in the global fight against poverty. UNDP will do this by becoming an even more effective advocate for equitable global regimes and for the provision of global public goods that benefit developing countries, by generating innovative concepts and approaches to emerging problems through cutting-edge research, by promoting the exchange of good development practice through global knowledge networks, and by linking support to national policy-making with global processes through a new cadre of field-based policy specialists.

12. Showing how these goals can be translated into action is the main purpose of this document; chapters III and IV contain a description of the operational and managerial implications of these goals for UNDP.

II. Results and lessons of past cooperation

13. Valuable inputs into the consultative drafting process leading to the formulation of the second GCF include the findings and recommendations of the review of the first GCF (DP/GRR/GCF/1), the management audit and the first ROAR. The new vision of UNDP management and of the provision of services as articulated in the Administrator's Business Plans have also provided guidance. All these inputs have led to a number of major shifts from the first GCF.

A. Results and lessons from past global cooperation

14. Through reviews of past global cooperation initiatives and stakeholder consultations, areas of strength as well as a number of concerns in past programmes have been identified. The following points highlight just a few examples of successful global initiatives identified in the review of the first GCF:

(a) The *Human Development Report* has shifted and sharpened the international development debate on a range of critical issues with innovative concepts, measurement and policy proposals, and by analysing global trends in human development and poverty. Numerous national human development reports have built on this tradition by linking cutting-edge development thinking to current national policy choices;

(b) Recent *Poverty Reports* have helped to refine understanding of the nature and locus of human poverty while the Poverty Strategy Initiatives (PSI) have helped to define more effective approaches and entry points for poverty-reduction programming;

(c) The Office of Development Studies continues to break new ground in global development thinking, for example, its analysis of the concept of global public goods, which has provided a new lens through which to view globalization and incentives for policy reform to address the needs of the poor;

(d) UNDP advocacy and cooperation in the governance area have contributed significantly to highlighting the importance of well-governed institutions and participatory processes in meeting national development objectives;

(e) Global programmes in environmental management, energy and natural resources conservation have shaped international cooperation in a range of areas, had significant impacts within many programme countries, linked national and global perspectives, and leveraged substantial non-core resources;

(f) A collaborative UNDP/United Nations Conference on Trade and Development (UNCTAD) programme has strengthened capacities of developing country trade negotiators and has provided support in developing trade proposals that were ultimately endorsed by the General Council of the World Trade Organization.

15. Despite these and many other successes, a number of concerns have been highlighted, including:

(a) Global programmes designed in the first GCF were dispersed across many programming areas within which UNDP sometimes lacked a clear comparative advantage;

(b) Clear criteria were not always applied to justify programming at the global level, and as a result, interventions similar to those in regional and country programmes were sometimes duplicated at the global level;

(c) While UNDP developed strong competencies in a range of key development areas, the expertise was concentrated at headquarters. Links to regional and country priorities were therefore weak and inconsistent; support often failed to add value to and provide synergy with UNDP actions at national and regional levels;

(d) Global programmes were sometimes overly sectoral in focus, incompletely integrating cross-thematic initiatives where there was high potential for programmatic complementarity;

(e) Global programmes did not adequately establish strategic long-term partnerships with development institutions sharing common goals;

(f) Learning mechanisms to identify and document lessons from past experience and to feed this information back into improved programming were sometimes weak;

(g) Networking with institutions from the South was often inadequate so that the full benefits of sharing South-South experience and the exchange of good practices across regions were not realized.

16. The ROAR provides an additional perspective from which to assess global programmes and suggests possible new directions. A key finding is that although UNDP is moving its policy work upstream, its main interventions for poverty reduction remain focused at the community level without adequate policy-level linkages. Conversely, some of the macro-level policy and institution-building work did not adequately integrate poverty-reduction objectives. It also revealed that while decentralization and local governance are becoming major areas of UNDP support, such programmes are often incompletely integrated with parallel poverty-reduction efforts.

B. Major shifts in GCF programme focus and approach

17. The second GCF provides the means for UNDP to reaffirm its commitment to play a leading role among United Nations organizations in the fight against global poverty. It will do this in several ways. Resources provided through the GCF will reinforce the research and advocacy capacities of the Human Development Report Office (HDRO) and ODS to generate and promote innovative thinking on priority development issues relating to globalization and poverty. Global programme priorities will be more closely aligned with action at the national level by building on country demand as captured in the ROAR. Knowledge networking will be strengthened substantially through the work of over 50 policy specialists posted in subregional locations and by applying state-of-the-art information technology to ensure that the best and most current advice can be given when and where it is most needed — at the country level. These and other components of the second GCF will be integrated into UNDP programming at all levels through support from thematically-based new non-core funding in the four main focus areas set out in chapter III.

18. The GCF programme areas have been significantly streamlined to focus only on those areas where UNDP has a clear comparative advantage according to criteria outlined in chapter III. Areas where UNDP will no longer have global programme components include, for example, health (except for HIV/AIDS), education, nutrition, food security, forestry and transport. As global programmes move out of past focus areas, strategic partnerships will be formed with institutions having greater competencies in those areas in order to ensure that appropriate expertise is provided to programme countries and that momentum is not lost. The GCF focus will also move upstream to provide countries with policy support, capacity development to address global and emerging issues, and state-of-the-art analysis of development issues and knowledge-networking.

19. UNDP global programmes and policy support will be more closely integrated across the following axes: (a) closer vertical integration, linking country, regional and global programmes to reinforce major policy shifts; (b) closer geographic integration by promoting greater South-South exchange and cooperation across regions; and (c) closer thematic integration by linking relevant themes and sectors in a more synergistic manner.

20. Links are made with regional and country programmes to ensure that global programmes are driven by their demands for new products and services and that global programmes complement rather than duplicate regional and country programming. Subregional resource facilities (SURFs) have been established, and will be strengthened significantly, through the outposting of over 50 policy specialists to manage the demand for, and coordinate the provision of, policy support to programme countries and serve as the window for identifying and exchanging experience in good practice worldwide.

21. Intercountry policy activities will be based on subregional groupings or on countries of common development typology (small island developing states, least developed countries, post-crisis situations, etc.) depending on the thematic policies in question.

22. The global programme will increasingly rely on institutions and expertise from the South in the delivery of policy support and capacity development work. In doing so, a more complementary relationship has been established with the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC). With 22 years of experience in designing and implementing South-South initiatives, the SU/TCDC focus will be on the "why" and "how" of South-South cooperation, primarily through advocacy, planning and piloting innovative approaches and new models of South-South technical cooperation for United Nations system-wide application. Global programmes will concentrate on the "what" of South-South cooperation by providing country offices and programme countries support in developing the content for such cooperation and by collaborating with SU/TCDC on specific South-South initiatives that have significant global dimensions. Drawing on lessons from these mutually supportive experiences, the global programme will also assist country offices and programme countries in upscaling successful approaches and models of South-South cooperation.

23. Strategic partnerships will be reinforced and, where necessary, established with a wider range of institutions that share the broad development goals of UNDP but which have different and potentially complementary strengths, including United Nations specialized agencies, funds and programmes, Bretton Woods institutions,

bilateral development cooperation agencies, civil society organizations and the private sector. For example, UNDP will work with the information and telecommunications industry to mobilize their skills and human and financial resources to help to bridge the digital divide. UNDP will work with the World Bank and bilateral donor agencies to ensure that the poverty-reduction strategy process is broadly participatory and includes key SHD concerns. Cooperation with UNCTAD and WTO will be increased to build institutional capacities in developing countries that will participate more effectively in the negotiation and implementation of global regimes that affect their national interests. Joint work with the United Nations Capital Development Fund (UNCDF) will be intensified to support decentralization processes and more transparent, accountable and effective local governance. Closer collaboration with the United Nations Development Fund for Women (UNIFEM) and the Joint United Nations Programme on HIV/AIDS (UNAIDS) will be established to ensure that UNDP efforts in these areas are fully complementary with larger global initiatives.

C. Consultative preparation of the global cooperation framework

24. UNDP has consulted widely, both internally and externally, in preparing the second GCF to achieve consensus on each of these new directions. Through an informal meeting during the third regular session 2000 of the Executive Board, a concept note outlining the directions of the GCF was reviewed and benefited from extensive feedback. Key United Nations partners, including the International Labour Organization, the United Nations Conference on Trade and Development and the United Nations Environment Programme, have been consulted at various stages of the design process. The GCF has built on the guidance received during each stage of these consultations.

III. Objectives, priority support areas and expected results

25. The second GCF, designed to address the complex development challenges described in chapter I while taking into account lessons learned from the first GCF, is a means to contribute to the overarching efforts of UNDP to reduce poverty and promote SHD. The development objective of the GCF is thus to provide windows for developing countries, the ultimate beneficiaries of global activities, to influence global trends and benefit from global knowledge on critical dimensions of SHD in order to reduce national poverty and human inequity.

26. The GCF will accomplish this through interventions in four development dimensions that frame the immediate objectives: globalization, participation, growth and crises. In each of the four dimensions, immediate objectives and priority areas of support have been identified for which global interventions are the most effective and efficient.

27. In order to reach these objectives, services of three types will be undertaken in the priority support areas: (a) global advocacy and analysis to generate knowledge, build alliances, and promote enabling frameworks on key development issues; (b) policy advice, support and alignment across programmes, drawing on the global network of policy specialists; and (c) knowledge-networking and the sharing of best practices, drawing on the SURF system and communities of practice to support

country and regional programming efforts. These three sets of services reflect the need to balance an appropriate response to country demand for policy support with the creation of demand for new products and services through analysis, advocacy and information-sharing on emerging development issues.

28. In addition to these services, specific global programme initiatives will be developed within the priority support areas described below. Building on country experiences, and in partnership with other agencies and institutions, these global programmes will generate innovative tools and methodologies to address priority development objectives. These global programme products will in turn enable UNDP to engage on critical issues in new ways at the country level. Global programmes will focus on a subset of goals set out in the UNDP strategic results framework (SRF), where global perspectives and interventions are the most important.

29. The following criteria will be applied in the design of global programmes to avoid duplication and maximize synergies with regional and country programming:

(a) The development challenge being addressed must be a shared concern among a significant number of countries in different regions; this will ensure the benefit of cross-regional exchange of experience and good practice while exploiting programmatic economies of scale;

(b) The development challenge may be rooted in current global systems and regimes and thus must be addressed through global advocacy and intermediation;

(c) UNDP must have a clear comparative advantage as a development organization in the specific intervention.

30. The four development dimensions, their immediate objectives and the associated priority support areas for the second GCF are set out below.

Globalization: risks and opportunities

31. Globalization has increased interdependence among States; it is, however, often governed by emerging global regimes that inadequately reflect developing country interests. Meanwhile, unsustainable growth patterns and environmental externalities further undermine prospects for poverty reduction and human development in many developing countries. Both patterns reflect an underprovision of global public goods that are essential for equitable and sustainable growth. New institutional and technical capacities and appropriate policies are needed to empower developing countries to identify and seize emerging opportunities and to influence the shaping of global regimes to represent better their concerns and perspectives. The immediate objective is to advance the provision of global public goods by supporting the interests of developing countries in development discourse, in the framing of international regimes and in the management of global commons to support SHD.

32. Global policy innovation, advocacy and analysis will be the main services within this dimension and will thereby provide inputs for knowledge networks and policy specialists to carry forward developing country perspectives in regional and national efforts. Priority support areas under this immediate objective are:

(a) Carrying forward the SHD paradigm in global development debate, especially through the work of HDRO and ODS, identifying emerging issues, gaps

in the understanding of development linkages and developing policy proposals in response to new development challenges;

(b) Advancing the perspectives and concerns of developing countries in the framing of global regimes and governance institutions, emphasizing the rights and interests of the poor and the unique needs of poor women;

(c) Promoting equitable and sustainable management of the global commons to share more evenly the costs and benefits of international environmental commitments between developed and developing countries.

33. The intended results of these efforts are: (a) innovative approaches to managing the impacts of globalization on SHD; (b) broad support in the international community for formulating global regimes in ways that protect and promote the interests of developing countries and poor people; (c) tools to enhance the knowledge and negotiating capacities of developing countries to enable more effective participation in the framing and implementation of global regimes.

Participation: governance and democracy

34. Good governance — including the rule of law, effective State institutions, transparency and accountability in the management of public affairs, respect for human rights, and the participation of all citizens in the decisions that affect their lives — is essential to human development and poverty reduction and its importance was underscored in the Millennium Declaration. A key feature of such good governance processes is the participation and mobilization of women, civil society and marginalized groups. Democratic institutions and dialogue to generate consensus among development stakeholders are essential for long-term development. The immediate objective is to share knowledge of mechanisms for good governance, democratic practices and participatory processes to enable poverty reduction.

35. Services in this dimension will emphasize the gathering of national and regional experiences and best practices on these issues. By partnering with other institutions, the network of policy specialists will provide policy support in these development dimensions. Priority support areas under this immediate objective are:

(a) Enhancing democratic processes for transparency, accountability, equitable representation and gender balance in national governance institutions so that they respond more effectively to the needs of the poor;

(b) Strengthening decentralization and civil society participation mechanisms to influence governance processes and public institutions;

(c) Promoting consensus-building and dialogue between development stakeholders to reach SHD goals.

36. The intended results of these efforts are: (a) good practice principles and approaches derived from country experiences to promote more democratic, transparent, accountable and effective national governance institutions and processes that promote SHD; (b) policies, shared across regions, that strengthen decentralization, the role of women, and civil society participation in national governance; (c) a global knowledge-sharing community established to support UNDP national efforts in governance, participatory processes and national consensus-building for poverty reduction.

Growth: equity and sustainability

37. Economic growth at the national and global levels can contribute most effectively to sustainable poverty reduction when appropriate policy frameworks are in place. These include policies to ensure an equitable distribution of services and assets, conditions to generate and sustain productive employment for poor people, measures to protect the natural resources on which the poor depend, and processes that guarantee the full participation of women in the economy and in public decision-making. The immediate objective is to share policy approaches and frameworks that address the need for equity and sustainability, which are essential to underpinning and shaping economic growth.

38. GCF support will focus on gathering national and regional experiences and best practices in this development dimension. Depending on the specific topic listed, the network of policy specialists will support country efforts to develop macro-strategies, provide policy support and, based on worldwide experience, supply inputs to global advocacy efforts. The priority areas of support under this immediate objective are:

(a) Integrating strategies for poverty reduction and equity, including gender goals, into macroeconomic frameworks and national development policies to support equitable national growth and development processes;

(b) Generating tools and sharing approaches for equitable access to, and sustainable use of, water, land and biological resources as natural resource assets for poverty reduction;

(c) Supporting enabling policies and institutions for energy and ICT to serve as engines for growth and generating greater opportunities for productive activities.

39. The intended results of these efforts are: (a) principles and approaches that are founded on good practices and that will influence the preparation of national macroeconomic frameworks for the achievement of greater equity and poverty reduction; (b) policy tools to promote and protect access by poor people to land, water and biological resources; (c) good-practice guidelines for policies and institutions that support efficient and equitable provision of energy and ICT services.

Crises: knowledge for prevention and management

40. Crises, whether they are conflicts, environmental disasters or pandemics, can nullify gains and reverse national efforts aimed at economic growth and SHD. Experience shows that crises impact most severely on women, the poor and politically marginalized groups. Enhanced national capacities can help to prevent crises and, when they do occur, reduce their impacts, and facilitate a smooth transition from recovery to sustained development. Experience from the growing number of crises must be synthesized, formulated into good practice tools, and shared more effectively on a global scale to enhance the effectiveness of country operations. The immediate objective is to capture and share knowledge on effective institutional development, intermediation and policy approaches to prevent, prepare for and better manage crises to mitigate the erosion of advances in development.

41. To support this immediate objective, efforts will focus on gathering national and regional experience and lessons learned. The network of policy specialists will

document good practices and share knowledge on effective programming approaches to address crises gained through country experiences. These efforts draw on and support the activities of the Emergency Response Division (ERD) and UNDP offices responsible for country operations. The priority areas of support under this immediate objective are:

(a) Developing effective governance interventions to address strategic public sector management and development planning challenges to deal with the causes and impacts of HIV/AIDS;

(b) Synthesizing good practices for crises prevention, post-conflict recovery and consensus-building to reduce the occurrence of conflict and mitigate the impacts on the poor and vulnerable groups;

(c) Improving capacities for vulnerability analysis, preparedness and response that will reduce the impact of environmental and natural disasters.

42. The intended results of these efforts are: (a) national policies to reduce the incidence and development impacts of HIV/AIDS; (b) principles and approaches founded on good practice for vulnerability analysis, crisis prevention and recovery, and for reducing the impacts of crises on poor people; (c) lessons learned and operational tools made available to country offices on effective approaches to address and manage crises. The development of programme efforts in this dimension will be undertaken in collaboration with ERD.

43. Programme support documents will be elaborated in the four priority areas of support when global programmes are needed to develop the analysis, methodologies or programmatic tools described. In other cases, the global network of policy specialists will provide the services outlined, drawing on existing experience at the country and regional level. Through the combination of the two, the second GCF will feed the lessons learned and concerns of developing countries into global dialogue and advocacy processes in which UNDP is engaged.

IV. Management arrangements

44. The second GCF is a key instrument for using matrix management to align UNDP development policy activities at the global, regional and national levels consistent with the UNDP Business Plans. It is also the corporate mechanism to fund the network of BDP policy specialists to provide direct policy support to country activities and to facilitate knowledge-networking within and across regions. The GCF enables UNDP cutting-edge development research and advocacy activities carried out by HDRO, ODS and BDP. Finally, the GCF provides critical financial resources for global programming and the basis to mobilize significant additional non-core resources dedicated to development policy activities in the priority thematic areas described above.

A. Programme management

45. To ensure corporate development-policy coherence, the Administrator will delegate overall responsibility for the resources, programmes and outcomes of the second GCF to the Director of the Bureau for Development Policy. The following

management mechanisms will guide the GCF, global programmes and associated policy activities.

46. BDP, through its network of policy specialists based at headquarters and in the SURFs, will undertake global advocacy and analysis, knowledge-networking and policy support at the regional and country levels. The second GCF will fund the Human Development Report Office and the Office of Development Studies. The *Human Development Report* will remain the flagship report of UNDP, demonstrating excellence and leadership in development advocacy, monitoring global trends in human poverty with innovative measurements, exploring their underlying determinants, and pointing to policy shifts needed to accelerate the reduction of human poverty. ODS will be charged with providing cutting-edge analysis conducted by the world's foremost development analysts and practitioners. It will focus its work on understanding newly emerging problems of global significance, approaches to operationalize global public goods and laying the base for the development of innovative solutions.

47. The relevance of the second GCF to the needs of programme countries and policy coherence between global, regional and national efforts will be addressed by SURF boards. The membership of SURF boards is composed of resident representatives of country offices of the subregion, representatives of BDP and of the regional bureaux. They provide strategic oversight of all policy efforts executed within their respective regions. The SURF board members also contribute to the supervision and matrix management of the global network of policy specialists who fall under the overall responsibility of the Director of BDP. SURFs will manage demand for policy support from programme countries, coordinate the provision of policy support, and identify and share experience of good practice worldwide through knowledge networks.

48. To promote more integrated cross-sectoral programming, the BDP divisional structure has been replaced by groups of policy specialists working on cross-thematic teams. Teams include both headquarters and field-based policy specialists since most BDP policy expertise will be located in subregional centres linked to the SURF system.

49. Communities of practice are being established across the organization with membership covering professionals working in country, regional and global efforts on related thematic issues. These communities are expected to support and influence programme design and work-planning at all levels. This is an essential feature of matrix management and the knowledge networking modality that the new UNDP structure and ICT enables.

50. Some components of the global programmes may be implemented by United Nations specialized agencies, funds and programmes, or other partners with strong competencies in specific topics. UNOPS is expected to continue to play a significant role in the execution of the global programmes. While BDP policy specialists will provide substantive guidance and orientation on the global programmes, UNOPS will assume the functions of project task manager for activity management and funds disbursement. Overhead and administrative costs associated with the delivery of GCF programmes will be reduced while improving the quality of reporting and operational support services. More centralized global programming resources allocation and management arrangements will ensure timely, strategic use of and accountability for core and non-core resources.

B. Monitoring, oversight and reporting

51. Oversight of the global programmes will be provided through the Policy Board, which has been formed as the apex body for all development policy issues within UNDP. It will identify emerging issues where new policies are required for UNDP and provide overall direction to policy initiatives whether at the global, regional or national level.

52. An advisory committee will be formed to provide advice and recommendations to guide programme orientation, monitor progress and suggest strategic options to expand the impact and relevance of global programmes. While the advisory committee would meet annually, its members could provide inputs on an ongoing basis on specific issues to complement the work of the UNDP Policy Board. In addition, BDP will seek advice on programme directions from the Civil Society Organization Advisory Committee and groups of leading experts in specific subject areas.

53. Annual reporting on the progress and impact of the global programmes will be based on the ROAR process and corporate SRF indicators, in keeping with UNDP-wide efforts to enhance results-based programming. Policy specialists working in the priority support areas to deliver global programmes will be expected to provide substantive reports on progress achieved, obstacles encountered and lessons learned. SRF reporting on global programmes will be one means to do this although global programme achievements may also be reflected in national and regional SRF reporting, depending on the level at which GCF-supported services are provided. Reporting and evaluation on the functioning of the network of policy specialists and the SURF system will be undertaken as part of the monitoring and assessment of the matrixed approach to policy support embodied in the UNDP Business Plans.

54. A mid-term evaluation will be undertaken to assess the effectiveness of the overall approach, programme outcomes and policy services provided through the second GCF. A final evaluation of the GCF led by the Evaluation Office will be undertaken to look at results achieved through global cooperation, which will inform future UNDP efforts in this area.

C. Resources situation

55. Core resources will be allocated to the second GCF in line with the overall funding situation of UNDP and existing patterns of resource distribution. The GCF provides an opportunity for UNDP to access additional financing for development cooperation by focusing on key themes that are priorities for the organization as a whole. The mobilization of non-core resources will be undertaken within the GCF as part of the establishment of thematic trust funds by UNDP to enable multi-donor support in priority development dimensions. These thematic trust funds are part of a larger UNDP effort and may support programme activities whether undertaken at the country, regional or global level.

56. Strategic policy and global activities described in the priority support areas underpinning the immediate objectives in the second GCF will be enabled through the trust-fund mechanism. This innovative approach will support policy analysis and advice through global programmes in priority areas while providing access for subregional or country-level initiatives. BDP will manage core and non-core

resources for global programme activities in the priority thematic areas described in chapter III, within these unified programme frameworks, in a matrixed fashion with operational bureaux.

57. Additional non-core financial support will be sought to assist the transformation processes for UNDP to become a globally networked, development policy organization. This will be particularly important in the case of 2001 expenses associated with the creation of the global network of policy specialists. It is expected that these costs will be shared by regional programmes in 2002-2003 as a feature of the transition to a matrixed organization. As described in chapters II and III, the global network of BDP policy specialists will be providing direct assistance to country and regional programmes through the services of knowledge-networking, exchange of good practices across regions and policy support.

58. To achieve the objectives and outcomes of the second GCF, UNDP will draw on $72.6 million of core resources for the period 2001-2003 (inclusive of carry-over from the current GCF) and will seek to mobilize $115 million of non-core resources to leverage core funds. Core resources will support the flagship work of HDRO and ODS, the network of policy specialists, and the central funding of the global programmes. Non-core resources will focus primarily on global programme activities in major thematic areas as described in chapter III. The overall resources framework for the second GCF is presented in the annex.

Annex

Second global cooperation framework: resources 2001-2003

	(In millions of United States dollars)		
Programme category	*Core resources*	*Non-core resources*	*Grand total*
1. Policy support services [a]	27.9	15.0	42.9
2. Other activities	14.7		14.7
HDRO	8.7		8.7
ODS	3.0		3.0
Contingencies [b]	3.0		3.0
3. Global programme	30.0	100.0	130.0
Total	**72.6** [c]	**115.0**	**187.6**

[a] Including field-based policy specialists
[b] Allocations made at the discretion of the Administrator
[c] Including a carry-over of approximately $31 million from the first GCF (1997-2000)